

Service Date MAY 24 1982

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * * *

IN THE MATTER Of The Application)	
Of The MONTANA POWER COMPANY For)	UTILITY DIVISION
Authority To Increase Rates And)	DOCKET NOS. 81.3.28
Charges For Natural Gas Service.)	and 81.6.57
)	ORDER NO. 4775b

SUPPLEMENTAL ORDER

In Order No. 4775b the Commission granted the Montana Power Company \$6 million for Exploration and Development Expense. Order No. 4775b did not provide sufficient detail with respect to the accounting for this expense. The \$6 million authorized by the Commission is to be reserved for E and D Expense. The Commission does not contemplate any other use of these funds.

The following example will serve to illustrate how these funds should be accounted for:

In year one, the Company spends \$4.5 million for E & D. That surplus would be carried forward to year two reducing rates by \$1.5 million. In year two, the Company spends \$6 million for E & D. In order to have E & D Expense at \$6 million, rates would increase by \$1.5 million in year three.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

GORDON E. BOLLINGER, Chairman

JOHN B. DRISCOLL, Commissioner

HOWARD L. ELLIS, Commissioner

CLYDE JARVIS , Commissioner

THOMAS J. SCHNEIDER, Commissioner

ATTEST:

Madeline L. Cottrill
Commission Secretary
(SEAL)

NOTE: You may be entitled to judicial review of the final decision in this matter. If no Motion for Reconsideration is filed, judicial review may be obtained by filing a petition for review within thirty (30) days from the service of this order. If a Motion for Reconsideration is filed, a Commission order is final for purpose of appeal upon the entry of a ruling on that motion, or upon the passage of ten (10) days following the filing, of that motion. cf. the Montana Administrative Procedure Act, esp. Sec. 2-4-702, MCA; and Commission Rules of Practice and Procedure, esp. 38.2.4806 ARM.